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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

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Division Director

Supervisor LK

Inspection Report

Minerals Regulatory Program

Report Date: October 27, 2004

Mine Name: Velvet
Operator or Permittee Name:
U. S. Energy
Permittee Mailing Address:
877 N. 800 W., Riverton, WY 82501

Inspector(s): Paul Baker

Other Participants: Jim Butt

Permit Status: Reclaimed
Current Acreages:
Total Permitted (Bonded): 22
Total Disturbed: 22

Permit number: M/037/040
Inspection Date: October 5, 2004

Weather: Cloudy, rain showers, 50's
Inspection Start Time: Abt. 6:00 PM
Inspection End Time: Abt. 7:30 PM
Site location/Area Inspected (i.e. Pit #):
Main pad area; we did not look at the
vent holes or pond
Surface Ownership: BLM
Mineral Ownership: BLM
Mineral Mined: Uranium/Vanadium
Type of Mine: Underground

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Date: October 5, 2004; Report Date: October 27, 2004

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Purpose of Inspection:

I was in the area, had a little extra time, and decided to stop and see how vegetation was progressing. Mr. Butt happened to come by for the same reason; we had not coordinated the meeting.

Inspection Summary:

2. Public Safety

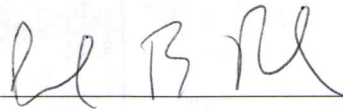
When the mine was reclaimed, the operator built a large berm across the road to prevent access. People have been driving around the berm to the mine pad and to a couple of roads that I don't think existed previously. One of these roads heads toward the large drainage south of the mine where I assume it dead ends. The other heads north. This has had some effect on vegetation.

13. Revegetation

The vegetation continues to progress well. The biggest concern is for the outcrops where topsoil was not used, but even in this area, there were a lot of seedlings. Some of these seedlings were dry, and we weren't certain whether they were still alive, but many have survived the summer.

I have yet to look at the vent holes or the pond since they were reclaimed, but Mr. Butt said he has looked at these areas and that the vegetation is doing well.

Inspector's Signature



Date: October 27, 2004

PBB:jb

cc: Fred Craft, U. S. Energy
Ted McDougall, Monticello BLM,

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